

HOUSE BILL No. 1642

DIGEST OF INTRODUCED BILL

Citations Affected: IC 32-21-5-7.

Synopsis: Disclosure of covenants. Requires a person selling real estate subject to a homeowners association to disclose covenants, conditions, and restrictions adopted or enforced by the homeowners association.

Effective: July 1, 2015.

Schaibley

January 22, 2015, read first time and referred to Committee on Government and Regulatory Reform.



First Regular Session of the 119th General Assembly (2015)

PRINTING CODE. Amendments: Whenever an existing statute (or a section of the Indiana Constitution) is being amended, the text of the existing provision will appear in this style type, additions will appear in **this style type**, and deletions will appear in ~~this style type~~.

Additions: Whenever a new statutory provision is being enacted (or a new constitutional provision adopted), the text of the new provision will appear in **this style type**. Also, the word **NEW** will appear in that style type in the introductory clause of each SECTION that adds a new provision to the Indiana Code or the Indiana Constitution.

Conflict reconciliation: Text in a statute in *this style type* or ~~this style type~~ reconciles conflicts between statutes enacted by the 2014 Regular Session and 2014 Second Regular Technical Session of the General Assembly.

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A BILL FOR AN ACT to amend the Indiana Code concerning property.

Be it enacted by the General Assembly of the State of Indiana:

- 1 SECTION 1. IC 32-21-5-7, AS AMENDED BY P.L.180-2014,
2 SECTION 5, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
3 JULY 1, 2015]: Sec. 7. The Indiana real estate commission established
4 by IC 25-34.1-2-1 shall adopt a specific disclosure form that contains
5 the following:
6 (1) Disclosure by the owner of the known condition of the
7 following:
8 (A) The foundation.
9 (B) The mechanical systems.
10 (C) The roof.
11 (D) The structure.
12 (E) The water and sewer systems.
13 (F) Additions that may require improvements to the sewage
14 disposal system.
15 (G) Other areas that the Indiana real estate commission



- 1 determines are appropriate.
- 2 (2) Disclosure by the owner of known:
- 3 (A) contamination caused by the manufacture of a controlled
- 4 substance on the property that has not been certified as
- 5 decontaminated by an inspector approved under
- 6 IC 13-14-1-15; or
- 7 (B) manufacture of methamphetamine or dumping of waste
- 8 from the manufacture of methamphetamine in a residential
- 9 structure on the property.
- 10 (3) A notice to the prospective buyer that contains substantially
- 11 the following language:
- 12 "The prospective buyer and the owner may wish to obtain
- 13 professional advice or inspections of the property and provide for
- 14 appropriate provisions in a contract between them concerning any
- 15 advice, inspections, defects, or warranties obtained on the
- 16 property."
- 17 (4) A notice to the prospective buyer that contains substantially
- 18 the following language:
- 19 "The representations in this form are the representations of the
- 20 owner and are not the representations of the agent, if any. This
- 21 information is for disclosure only and is not intended to be a part
- 22 of any contract between the buyer and owner."
- 23 (5) A disclosure by the owner that an airport is located within a
- 24 geographical distance from the property as determined by the
- 25 Indiana real estate commission. The commission may consider the
- 26 differences between an airport serving commercial airlines and an
- 27 airport that does not serve commercial airlines in determining the
- 28 distance to be disclosed.
- 29 **(6) If the property is subject to a covenant, condition, or**
- 30 **restriction adopted or enforced by a homeowners association**
- 31 **(as defined in IC 32-25.5-2-4), a copy of the most recent**
- 32 **covenants, conditions, and restrictions adopted or enforced by**
- 33 **the homeowners association.**

